

prosecute such violations. The provisions of this section are deemed necessary to prevent fraud and unfair trade practices, but it is the intent of the General Assembly that if one or both of such provisions be held unconstitutional and void, that such invalid provision or provisions be considered separable and that the balance of this article be given effect.

Intent as to
invalid provisions.

SEC. 402. *Contingency.*

If the Congress of the United States shall, at any time during the biennium for which taxes are levied in this article, enact any form of sales or production tax distributable in whole or in part to the several states, the Governor and Council of State shall estimate the proportion of such tax distributable to this State, and shall, by proclamation of the Governor, abate a uniform percentage of all the taxes levied in this article equal in estimated revenue yield to the estimated proportion of yield of such Federal tax, and from and after the effective date of such proclamation the Commissioner of Revenue shall enforce and collect only the remaining percentage of taxes levied in this article.

Enactment of
Federal sales tax
distributable to
State reduces
State sales tax in
same proportion.

SEC. 404. *Definitions.*

Definitions.

For the purposes of this article:

1. The word "person" shall mean any person, firm, partnership, association, corporation, estate or trust.

"Person."

2. The word "commissioner" shall mean the Commissioner of Revenue of the State of North Carolina.

"Commissioner."

3. The word "merchant" shall include any individual, firm, corporation, domestic or foreign, estate or trust, subject to the tax imposed by this article.

"Merchant."

4. The words "wholesale merchant" shall mean every person who engages in the business of buying any articles of commerce and selling same to merchants for resale. For the purposes of this article any person, firm, corporation, estate or trust engaged in the business of selling mill machinery or mill machinery parts and accessories, for manufacturing industries and plants, rough and dressed lumber (but not mill work), brick or hollow tile, sand, gravel, crushed stone, rock and granite, and the sale of cotton, tobacco and other farm products, by others than producers, to others for processing or manufacture, shall to the extent of such sales be considered a "wholesale merchant."

"Wholesale
merchant."

Dealers in mill
machinery.

Sellers of farm
products.

5. The words "retail merchant" shall mean every person who engages in the business of buying or acquiring, by consignment or otherwise, any articles of commerce and selling same at retail.

"Retail merchant."

6. The word "retail" shall mean the sale of any articles of commerce in any quantity or quantities for any use or purpose on the part of the purchaser other than for resale.

"Retail."